

CONSUMER PRODUCT SAFETY COMMISSION

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COMMISSIONER MARY T. BOYLE

Commissioner Mary T. Boyle Statement on Generac Power Systems, Inc. Agreement to Pay \$15.8 Million Civil Penalty

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When a company keeps silent about the known risk of severe injury caused by its products, that company is breaking the law. The message behind CPSC's settlement agreement with Generac Power Systems, Inc. (Generac) is clear: placing unsuspecting consumers at ongoing risk – while a company dithers and delays – has consequences.

Announced today, the \$15.8 million settlement is significant, though it cannot make whole the people whose fingers were crushed or amputated by defective handles on Generac's portable generators. Nevertheless, it sends a strong signal from the Commission. Timely reporting to the CPSC is essential.

A culture of safety demands a sense of urgency when people are injured by products. That sense of urgency was completely lacking here. Beginning in October 2018 and continuing into 2020, Generac received reports of incidents from consumers whose fingers were partially amputated or crushed by the unlocked handle of the portable generator. By the time Generac notified the Commission, five people had reported suffering finger amputations while attempting to transport the portable generators, which required hospitalization, surgery, and/or sutures and resulted in permanent disfigurement.

As our FY 2023 Operating Plan makes clear under an amendment I included, civil penalty assessments are an important priority for the Commission. Raising the maximum penalties allowable by statute should also be high on the agenda of the consumer protection community. Egregious behavior of this kind should not be dismissed by companies as a mere cost of doing business. Civil – and potentially criminal – penalties are essential to ensure that the interests of consumers are given their due. The Commission is committed to using all of our tools to enforce the law.